

Webb County, Texas
Balance Sheet
Governmental Funds
September 30, 2008

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and investments	\$ 19,534,650	\$ 22,101,029	\$ 41,635,679
Taxes receivable, net	7,711,989	1,261,179	8,973,168
Due from other funds	6,813,198	5,296,544	12,109,742
Receivable from other governments	2,222,291	3,373,160	5,595,451
Other receivables	258,400	65,170	323,570
Inventories	183,688	8,300	191,988
Other assets	27,204	17,116	44,320
Total assets	<u>36,751,420</u>	<u>32,122,498</u>	<u>68,873,918</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	4,547,288	2,127,821	6,675,109
Due to other funds	7,480,464	2,304,598	9,785,062
Payable to other governments	247,123	80,643	327,766
Deferred revenue	7,560,663	1,614,892	9,175,555
Other accrued expenditures	2,264,924	925,835	3,190,759
Other payables	2,040,211	950,912	2,991,123
Total liabilities	<u>24,140,673</u>	<u>8,004,701</u>	<u>32,145,374</u>
Fund balances:			
Reserved for:			
Inventories	183,688	8,300	191,988
Debt service	-	1,315,719	1,315,719
Capital projects	-	18,654,303	18,654,303
Special revenues	-	6,641,825	6,641,825
Unreserved, designated for:			
Buildings repairs	115,895	-	115,895
Unreserved, reported in:			
General Fund	12,311,164	-	12,311,164
Debt service	-	(459,215)	(459,215)
Capital projects	-	(2,602,586)	(2,602,586)
Special revenues	-	559,451	559,451
Total fund balances	<u>12,610,747</u>	<u>24,117,797</u>	<u>36,728,544</u>
Total liabilities and fund balances	<u>\$ 36,751,420</u>	<u>\$ 32,122,498</u>	<u>\$ 68,873,918</u>

The accompanying notes are an integral part of these financial statements.

Webb County, Texas
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets
September 30, 2008

Total fund balance, governmental funds	\$	36,728,544
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Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets.

Add - capital assets		232,901,055
Deduct - accumulated depreciation		(99,955,151)

Certain other long-term assets are not available to pay current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets.

Taxes receivables, deferred		8,545,555
Accounts receivables and fines, net		1,620,101

The assets and liabilities of certain internal service funds are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Assets.		3,605,310
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Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Assets.

Add - bond discounts		155,019
Add - Deferred Amount for Refunding		814,988
Add - bond issuance cost		1,100,866
Deduct - bonds payable		(74,137,636)
Deduct - accrued interest on bonds payable		(421,299)
Deduct - bond premiums		(487,542)
Deduct - Arbitrage Rebate		(19,457)
Deduct - accrued compensated absences and other long-term liabilities		(2,691,457)

Net Assets of Governmental Activities in the Statement of Net Assets	\$	107,758,896
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The accompanying notes are an integral part of these financial statements.

Webb County, Texas
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2008

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES			
Property Taxes	\$ 43,769,834	\$ 7,784,678	\$ 51,554,512
Sales and miscellaneous taxes	13,194,531	469,252	13,663,783
Fees and fines	420,543	5,519,835	5,940,378
Intergovernmental	2,718,654	21,427,768	24,146,422
Charges for services	3,770,096	4,150,681	7,920,777
Investment earnings	1,172,542	759,377	1,931,919
Miscellaneous	427,998	2,065,467	2,493,465
Grant matching	-	3,661,407	3,661,407
Total revenues	<u>65,474,198</u>	<u>45,838,465</u>	<u>111,312,663</u>
EXPENDITURES			
Current:			
General government	16,278,116	1,122,234	17,400,350
Public safety	9,490,265	5,442,546	14,932,811
Justice system	20,147,855	3,614,042	23,761,897
Health and human services	3,224,277	13,940,678	17,164,955
Infrastructure and environmental services	163,509	6,376,785	6,540,294
Corrections and rehabilitation	13,185,744	2,385,540	15,571,284
Community and economic development	2,097,405	967,600	3,065,005
Debt Service:			
Principal	-	4,567,088	4,567,088
Interest and other charges	-	2,913,361	2,913,361
Bond issuance costs	-	267,448	267,448
Payment to escrow agent		436,629	436,629
Capital outlay	89,567	12,188,824	12,278,391
Total Expenditures	<u>64,676,738</u>	<u>54,222,775</u>	<u>118,899,513</u>
Excess (deficiency) of revenues over expenditures	<u>797,460</u>	<u>(8,384,310)</u>	<u>(7,586,850)</u>
OTHER FINANCING SOURCES (USES)			
Long-term debt issued	-	20,790,000	20,790,000
Payments to refunded bond escrow agent	-	(15,011,513)	(15,011,513)
Transfers in	585,861	2,093,419	2,679,280
Transfers out	(874,633)	(1,990,669)	(2,865,302)
Proceeds from sale of equipment	8,200	720	8,920
Total other financing sources and uses	<u>(280,572)</u>	<u>5,881,957</u>	<u>5,601,385</u>
Net change in fund balances	516,888	(2,502,354)	(1,985,466)
Fund balances - beginning, Restated	12,093,859	26,620,151	38,714,010
Fund balances - ending	<u>\$ 12,610,747</u>	<u>\$ 24,117,797</u>	<u>\$ 36,728,544</u>

The accompanying notes are an integral part of these financial statements.

Webb County, Texas
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2008

Net change in fund balances - total governmental funds: \$ (1,985,466)

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

This is the amount by which capital outlays \$12,746,556 exceeded depreciation \$5,259,644 in the current period. 7,486,912

Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain or (loss) on the sale of the assets. Thus, the change in net assets differs from the change in fund balance by the cost of the asset sold. (220,149)

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned. 376,525

Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. Also, governmental funds report the effect of issuance cost, premiums, discounts, and similar items when debt is first issued, whereas this amounts are deferred and amortized in the statement of activities. This is the amount by which proceeds exceeded repayments.

Debt issued:	
Long term debt issued	(5,575,000)
Refunding bonds issued	(15,215,000)
Issuance Cost	267,447
Repayments	
To escrow agent	15,011,513
Principal payments	4,567,089
Amortization of Issuance Cost, Premiums, Discounts and Deferred Amount on Refunding	(208,327)

Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

Accrued interest not reflected on Governmental funds	44,847
Arbitrage rebate	75,027
Changes in inventory	314
Bad debt expenses	(105,142)
Compensated absences	56,227
Equipment Transferred Out to Business-type Activities	(283,722)

Internal service funds are used by management to charge the costs of certain activities, such as employees' health benefits and the workers' compensation, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities. 1,284,870

Change in net assets of governmental activities	\$ 5,577,966
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